

Outpatient Rehabilitation Agency Public Meeting

October 8, 2009

2:00 p.m.

Meeting Minutes

Attendees:

DMAS Staff

Senthia Barlow

Bill Lessard

Barbara Seymour

William Butler

Eileen Miller

Tammy Whitlock

Qaiyim Cheeseborough

Carla Russell

Kelli Eaton

Members of the Public

Lisa Cox

Jan Jessee

Molly Zarski

1. Introductions

Bill Lessard, DMAS Provider Reimbursement Director, introduced himself and stated the reason for the meeting was to review the proposed regulations for outpatient rehabilitation. Mr. Lessard gave an overview of the general structure of the meeting, stating that he would give an overview of the regulations and then allow a period for comments from the other attendees.

2. Regulation Overview

Mr. Lessard explained that there are two regulatory processes happening simultaneously:

- a. The proposed regulation initiated in early July
- b. The emergency regulation effective July 2, 2009 for reimbursement services implemented in the same month

Jan Jessee, of Professional Therapies of Roanoke, expressed confusion as to why there were two regulations at the same time. Mr. Lessard explained that initially the goal was to implement the reimbursement methodology in a budget neutral manner; however, an emergency regulation was needed to implement the budget reduction. Mr. Lessard also stated that DMAS received comments on the proposed regulation, which were summarized in the letter sent to rehabilitation agencies dated September 24, 2009. As a result of the comments, a formal public meeting was required. Mr. Lessard stated that additional meetings with providers can be arranged if providers wish to discuss the matter in more detail. He explained that a decision will not be made today, and that DMAS' response will be included with the final regulation.

Ms. Jessee inquired whether or not the Provider Reimbursement division at DMAS created the budget items and, if not, whose responsibility it is. Mr. Lessard explained that the budget line items come from many different sources and at times, Provider Reimbursement is asked to contribute. Ms. Jessee then asked if DMAS is given a target budget figure that the agency must meet. As a follow-up to that question, she asked how did DMAS arrive at the budget reduction for physical therapy (PT). Mr. Lessard stated that the agency has been

asked to come up with a number of budget reductions but that final decisions about specific budget amendments are not made by DMAS. does not determine a specific amount. He then opened up the meeting to public comment.

3. Public Comments

Jan Jessee read a statement, which is attached, that focused on the inappropriateness of using CPT codes for billing in the manner prescribed by DMAS. She also distributed supporting documentation.

After Ms. Jessee read her statement, Molly Zarski, of Albemarle Therapy Center, introduced herself and explained her concerns. According to Ms. Zarski, the main concerns for her organization are the rates for speech therapy. She stated that the number of Medicaid children they serve has dramatically increased. She went on to say that particularly in the Charlottesville area speech therapists need to have specialized skills that regular speech therapists do not possess. Further compounding this situation is the fact that many of the children are not getting the services they need from the schools and so it is falling upon Ms. Zarski's organization and others like it to provide these services.

Jan Jessee also stated that the pre-authorizations are another area for concern. She stated that the ARS or MediCall system does not tell them when someone is in Medallion II or fee for service and that this causes backlogs in adjudication due to the fact that the MCOs do not allow reciprocity of the PA.

Molly Zarski also stated that therapists offering private pay services in the Charlottesville are a major source of competition for them. Jan Jessee stated that there is already a lot of paperwork that is required of Medicaid therapy providers for such low reimbursement while there are private therapists that go to a client's home and get an immediate payment for an hour of service.

Lisa Cox, of ARC, expressed a desire for speech therapy to have a higher reimbursement rate. She further explained that they cannot have a child go off and do PT or OT while doing speech therapy and then come back to check on them. According to Ms. Cox, speech therapy is too intensive to be broken up like that. Jan Jessee added that the speech therapy rates can only be cut so much before it is no longer feasible for speech providers to keep the doors open.

4. Discussion

Mr. Lessard then took a few moments to explain that often policy is driven by operational considerations and that prior authorization was a significant operational consideration in this matter. The most problematic issue regarding PA is how to prior authorize up to 30 CPT codes when the PA system is designed on a visit basis. It is unclear how to pre-authorize using modalities because it is more difficult to define how many modalities qualify as a visit.

Jan Jessee made the suggestion of returning to revenue code billing, which she stated would allow accurate coding for all payer sources. Mr. Lessard explained that should the agency decide to return to revenue code-based billing, they would still want to set rates as opposed to having these services subject to cost settlement.

Mr. Lessard explained that changes in the speech therapy rates cannot be done in a budget neutral manner without compensating changes in the physical and occupational therapy rates.

In addressing the coding issue Ms. Jessee raised in her statement, Mr. Lessard stated that DMAS makes a number of modifications to HCPCS and the outpatient rehab change is not that dissimilar from previous changes for other providers. In the instances where DMAS billing incorporates HCPCS modifications, an effort is made to include detailed billing instructions.

Eileen Miller, of DMAS, stated that as long as providers are billing in accordance with DMAS' regulations, it is not fraudulent. Ms. Jessee countered that it is fraudulent from the Virginia Physical Therapy Association's viewpoint and that coding the way DMAS wants them to could result in a loss of licensure as it goes against VPTA's directive for accurate coding and violates their Principles of Ethical Standards. Mr. Lessard explained that the codes covered were a policy decision and not dictated by the regulations. He also explained that the significant system changes required to allow for billing of all outpatient rehab codes would take an indefinite amount of time and certainly more than a year to implement. The reason is that only emergency changes can be made to the MMIS during the takeover of a new contractor.

In response to the issue Ms. Jessee raised about the cost of provider systems changes mandated by the change in reimbursement methodology, Mr. Lessard acknowledged the one time cost. Once changes are made, many providers may prefer to keep the new system rather than change again.

Mr. Lessard ended by saying that DMAS greatly appreciates provider feedback. He offered to meet with the Virginia Physical Therapy Association, who were not able to attend the public meeting.

4. Adjourn